

AUDITOR-CONTROLLER/ TREASURER/TAX COLLECTOR



COUNTY OF SAN BERNARDINO

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LARRY WALKER
Auditor-Controller/
Treasurer/Tax Collector

July 5, 2012

To: All Successor Agencies, Cities, Joint Powers Authorities
(Emailed July 5, 2012 – hard copy to follow)

Re: Successor Agency Due Diligence Reviews – Due by October 1 and December 15, 2012

AB 1484, the trailer bill to “clean-up” ABX1 26, added and amended several Health and Safety (H&S) Code sections. The County of San Bernardino Auditor-Controller (ATC) is issuing this advisory letter to assist each Successor Agency in complying with October 1 and December 15, 2012 deadlines to have a due diligence review completed and submitted to certain state and local agencies.

AB 1484 added Health and Safety Code (H&S) sections 34179.5 and 31479.6 in furtherance of H&S section 34177(d). H&S 34177(d), as amended, requires Successor Agencies to remit unencumbered balances of redevelopment agency funds to county auditor-controllers for distribution to taxing entities.

H&S 34179.5 requires Successor Agencies to conduct a due diligence review to determine the unobligated balances available for transfer to taxing entities. H&S 34179.5(a) requirements include, but are not limited to:

1. Successor Agency must employ a licensed accountant to conduct the due diligence review;
2. The licensed accountant must have experience and expertise in local government accounting; and
3. The county auditor-controller must approve the licensed accountant.

H&S 31479.6 requires each Successor Agency to provide the results of the review conducted pursuant to H&S 34179.5 to the Successor Agency’s oversight board, county auditor-controller, and state agencies by October 1, 2012 and December 15, 2012, respectively, for the Low and Moderate Income Housing Fund and for all the other fund and account balances not included in the Low and Moderate Income Housing Fund.

Unfortunately, the authors of AB 1484 did not take into account the supply and demand for local government accounting services in the midst of fiscal year end accounting and financial reporting season for the performance of an additional and duplicative engagement. With those considerations, ATC recommends that each Successor Agency consider employing the CPA firm that is conducting the Successor Agency’s Agreed-Upon Procedures “audit” or immediately procuring an ATC approved CPA firm to conduct the due diligence review.

Ltr/Successor Agency Due Diligence Reviews

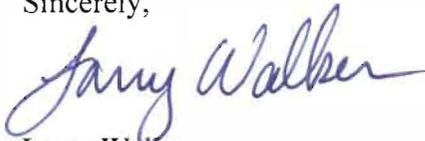
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ATC approved CPA firms are listed on the following pages along with tables that summarize the H&S 31479.6 report deadlines and parties. The CPA firms listed are either performing Agreed-Upon Procedure “audit” services for one or more San Bernardino County Successor Agencies or are providing accounting and audit services to the County. Other CPA firms may be approved once ATC has determined whether the CPA firm meets the requirements of H&S 34179.5, including, but not limited to the CPA firm’s experience with RDAs and Successor Agency Agreed-Upon Procedures “audits”.

ATC’s role in this part of AB 1484 implementation is limited to receiving due diligence review reports and approving the CPA firms employed by each Successor Agency. If you would like ATC to approve an unlisted CPA firm for the performance of the due diligence review, please contact Menaka Burkitt, Internal Auditor III at 909.386.8614 or menaka.burkitt@atc.sbcounty.gov, or Mark Cousineau, Auditor Division Chief at 909.386.8821 or mark.cousineau@atc.sbcounty.gov.

Sincerely,



Larry Walker
Auditor-Controller/Treasurer/Tax Collector
San Bernardino County

LDW:MWC:mah

Brown Armstrong CPAs

4200 Truxton Avenue, Suite 300
Bakersfield, CA 93309

Eric Xin, (661) 324-4971

Lance, Soll & Lunghard, LLP

203 North Brea Boulevard, Suite 203
Brea, CA 92821

Rich Kikuchi, (714) 672-0022

Marcum Stonefield / Caporicci & Larson, Inc.

5 Park Plaza, Suite 700
Irvine, CA 92614

Sheri Lejman, (949) 428-3452

Mayer Hoffman McCann P.C.

2301 Dupont Drive, Suite 200
Irvine, CA 92612

Ken Al-Imam, (949) 474-2020 x273

MGO Certified Public Accountants

2029 Century Park East, Suite 500
Los Angeles, CA 90067

Jim Godsey, (310) 277-3373

Michael P. Burger Certified Public Accountant

121 F Street, Suite 1
Needles, CA 92363

Michael Burber, (760) 326-4386

Moss, Levy & Hartzheim LLP

9107 Wilshire Blvd., Suite 400
Beverly Hills, CA 90210

Craig Hartzheim, (310) 273-2745 x106

Rogers, Anderson, Malody & Scott, LLP

735 E. Carnegie Dr., Suite 100
San Bernardino, CA 92408

Terry Shea or Scott Manno, (909) 889-0871

Teaman, Ramirez & Smith, Inc.

4201 Brockton, Suite 100
Riverside, CA 92501

Greg Fankhanel, (951) 274-9500

Eadie and Payne LLP

1839 W Redlands Blvd
Redlands, CA 92373

Eden Carsareno, (909) 793-2406

Vavrinek, Trine, Day & Co., LLP

8270 Aspen Street
Rancho Cucamonga, CA 91730

Kevin Pulliam, David Showalter,
Roger Alfaro, (909) 466-4410

LOW AND MODERATE INCOME HOUSING FUND

Due Date: October 1, 2012

Report to:

Successor Agency oversight board

San Bernardino County Auditor-Controller (ATC) Property Tax Section
222 W. Hospitality Lane, 2nd Floor
San Bernardino, CA 92415-0018

San Bernardino County Administrative Office
Attn: Gary McBride, Deputy Executive Officer
385 N. Arrowhead Avenue, 4th Floor
San Bernardino, CA 92415

California State Controller's Office

State of California Department of Finance

ALL OTHER FUNDS (Funds and accounts not included in the Low and Moderate Income Housing Fund)

Due Date: December 15, 2012

Report to:

Successor Agency oversight board

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San Bernardino, CA 92415-0018

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